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No. 88-985

IN THE
Supreme Court of the United States
OCTOBER TERM, 1988

TECHNOGRAPH LIQUIDATING TRUST,
Petitioner,

v.

GENERAL MOTORS CORPORATION,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

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QUESTION PRESENTED

Whether this Court should summarily reverse the United States Court of Appeals for the Third Circuit when, on remand from this Court for further consideration in light of *Christianson* v. *Colt Industries Operating Corp.*, 108 S.Ct. 2166 (1988), the Third Circuit refused to transfer to the Federal Circuit an appeal from the final decision of a district court in which jurisdiction was indisputably based on a claim expressly arising under the patent laws, as mandated by 28 U.S.C. § 1295(a)(1).

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

No. ——

TECHNOGRAPH LIQUIDATING TRUST,
Petitioner,

v.

GENERAL MOTORS CORPORATION,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

Technograph Liquidating Trust ("Technograph") hereby petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Third Circuit.[1]

OPINION BELOW

The opinion of the United States Court of Appeals for the Third Circuit (App., *infra*, 1a-10a) is reported at 857 F.2d 197 (3d Cir. 1988).

JURISDICTION

The opinion of the Third Circuit was entered on September 15, 1988. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

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[1] The only petitioner in this case is Technograph Liquidating Trust, successor to Technograph, Inc., a North Carolina corporation. The other named plaintiffs below no longer have any interest in this litigation.

STATUTORY PROVISIONS INVOLVED

The Federal Courts Improvement Act of 1982, 28 U.S.C. § 1295(a)(1), which created the Court of Appeals for the Federal Circuit, provides, in pertinent part:

> The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction—(1) of an appeal from a final decision of a district court of the United States . . . if the jurisdiction of that court was based, in whole or in part, on section 1338 of this title . . . .

The statute governing jurisdiction under the patent laws, 28 U.S.C. § 1338, provides, in pertinent part:

> (a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents . . . .

The statute governing transfer between the courts of appeals, 28 U.S.C. § 1631, provides, in pertinent part:

> Whenever . . . an appeal . . . is noticed for or filed with such a court and that court finds that there is a want of jurisdiction, the court shall, if it is in the interest of justice, transfer such action or appeal to any other such court in which the action or appeal could have been brought at the time it was filed or noticed, and the action or appeal shall proceed as if it had been filed in or noticed for the court to which it is transferred . . . .

STATEMENT

Petitioner filed a petition for certiorari on October 27, 1987, which raised the same legal issue that is the subject of this petition for certiorari. *See Technograph Liquidating Trust* v. *General Motors Corp.*, Petition for Certiorari, No. 87-682 (*"Technograph I"*).[2] On June 27,

[2] All citations to *"Technograph I"* refer to the Supreme Court's grant, vacate and remand order (*Technograph Liquidating Trust* v. *General Motors Corp.*, 108 S.Ct. 2862 (June 27, 1988)) and the briefs and appendix on the petition for certiorari.

1988, this Court granted that petition, vacated the judgment below, and remanded the case to the Third Circuit for further consideration in light of *Christianson* v. *Colt Industries Operating Corp.*, 108 S.Ct. 2166 (June 17, 1988). App., *infra*, 11a. On remand, however, the Third Circuit chose to ignore the holding in *Christianson* and reaffirmed its previous judgment. *Devex Corp.* v. *General Motors Corp.*, 857 F.2d 197 (3d Cir. Sept. 15, 1988). App., *infra*, 1a. This petition seeks review and summary reversal of that Third Circuit decision to retain jurisdiction of the appeal.

Background

The complaint explicitly provides that this action was brought as a "civil action for patent infringement." *Technograph I* App., 20a. The Third Circuit decision on remand recognized as much: "The original complaint, alleg[ed] infringement on a patented process for cold-forming operations on steel products used in bumper and non-bumper parts for automobiles . . . ." App., *infra*, 3a-4a. From the outset, the *only* basis of district court jurisdiction over this case has been the "Patent Laws of the United States." *Technograph I* App., 20a. 28 U.S.C. § 1338.

In 1986, petitioner filed a motion in the United States District Court for the District of Delaware seeking (a) reconsideration of the failure to award any royalty whatsoever on the manufacture of 1.3 billion non-bumper parts already found to be an infringement and (b) additional post-judgment interest for patent infringement on bumpers.[3] On June 27, 1986, petitioner's motion was denied. *Technograph I* App., 19a.

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[3] Petitioner's patent was held valid, *Devex Corp.* v. *General Motors Corp.*, 321 F.2d 234 (7th Cir. 1963), *cert. denied*, 375 U.S.

Petitioner appealed to the Federal Circuit, pursuant to 28 U.S.C. § 1295(a)(1). On motion of respondent, the Federal Circuit transferred the appeal to the Third Circuit on the ground that the transfer best served "the interests of comity and judicial economy." *Technograph I* App., 2a-3a. The Federal Circuit made no finding of a "want of jurisdiction" as required by the transfer statute, 28 U.S.C. § 1631. Thereafter, Technograph moved in the Third Circuit to transfer the case back to the Federal Circuit. That motion was denied, without explanation. *Technograph I* App., 8a.[4] On June 29, 1987, the Third Circuit affirmed, without opinion, the decision of the district court. *Technograph I* App., 25a.

Technograph petitioned for a writ of certiorari (No. 87-682) following the June 29 order, arguing that the Third Circuit's exercise of jurisdiction over the appeal in this patent case was "flatly contrary to the language and intent of the Federal Courts Improvement Act,"

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971 (1964), and respondent was found to have infringed the patent in its production of automobile bumper and non-bumper parts. *Devex Corp.* v. *General Motors Corp.*, 467 F.2d 257 (3d Cir. 1972), *cert. denied*, 411 U.S. 973 (1973). Technograph was awarded damages of a reasonable royalty for the infringement relating to bumper parts and prejudgment interest on that royalty. *Devex Corp.* v. *General Motors Corp.*, 667 F.2d 347 (3d Cir. 1981), *aff'd*, 461 U.S. 648 (1983) (affirming award of prejudgment interest). No royalty was awarded for the infringement of 1.3 billion *non-bumper* parts, despite the statutory requirement that "*in no event* less than a reasonable royalty" must be awarded upon a finding of infringement, 35 U.S.C. § 284. *Devex Corp.* v. *General Motors Corp.*, 667 F.2d 347 (3d Cir. 1981), *cert. denied*, 456 U.S. 990 (1982). The amount and method of calculating post-judgment interest were determined in *Devex Corp.* v. *General Motors Corp.*, 749 F.2d 1020 (3d Cir. 1984), *cert. denied*, 474 U.S. 819 (1985).

[4] Technograph filed petitions for writs of certiorari from the Federal Circuit's interlocutory order transferring the case and from the Third Circuit's interlocutory denial of Technograph's motion to retransfer the case to the Federal Circuit. Both of those petitions were denied. 480 U.S. 918 (1987).

Technograph I Pet., 5. The petition specifically noted that a decision on the then-pending petition for writ of certiorari in *Christianson* v. *Colt Industries Operating Corp.*, No. 87-499, "would likely affect the proper disposition of [Technograph]." *Technograph I* Pet., 11. Because *Christianson* and *Technograph* presented complementary issues, petitioner suggested "[a]t a minimum," that the Court "hold this petition pending the outcome of the *Christianson* case. . . ." *Technograph I* Pet., 11, 12.

This Court granted the petition in *Christianson*, and unanimously held, on June 17, 1988, that the statute means what it says: the Federal Circuit has *exclusive* jurisdiction over those cases "arising under" the patent laws, as measured by the well-pleaded complaint. *Christianson* v. *Colt Industries Operating Corp.*, 108 S.Ct. 2166 (1988). This Court explicitly stated that the relevant focus in determining appellate jurisdiction is *the jurisdiction of the district court. Id.* at 2176.

On June 27, 1988, this Court granted the *Technograph* petition, vacated the judgment of the Third Circuit and remanded for reconsideration in light of *Christianson.* App., *infra*, 11a. Because jurisdiction under petitioner's complaint was based exclusively on patent law, the *Christianson* holding that "jurisdiction is determined by reference to the well-pleaded complaint" required the Third Circuit to transfer the case to the Federal Circuit. *Christianson*, 108 S.Ct. at 2176.

On remand, the Third Circuit refused to transfer the case despite the holding of *Christianson.* App., *infra*, 3a. In doing so, the court offered two rationales for its decision to retain jurisdiction. First, the court assumed that "all phases" of the case "disputing actual patent issues had been concluded" and "only damages were involved in most of the litigation." Thus, the court concluded that the matters still "remaining" in the case

"did not raise questions of the validity of the patent or its infringement." App., *infra*, 5a. Second, the court noted that the *Christianson* opinion stated that application of the law of the case doctrine was appropriate where the initial transfer decision was "plausible." App., *infra*, 6a. The court thus concluded—without any explanation of how the Third Circuit's jurisdiction could be deemed "plausible"—that it would follow the Federal Circuit's decision on jurisdiction. District Judge Pollak concurred separately. *See* app., *infra*, 7a.

REASONS FOR GRANTING THE PETITION

The court below refused to follow the remand order of this Court to reconsider its jurisdiction "*in light of Christianson* v. *Colt Industries*" and instead resolved the issue on remand *in spite of Christianson*. Rather than accept the clear holding of *Christianson*, the Third Circuit evaded that holding in a way that clouds the very issue of appellate jurisdiction that this Court had clarified in *Christianson*. The court of appeals' reliance upon the law of the case doctrine completely misses the point that the doctrine does not apply where, as here, an intervening decision of a higher court compels a contrary result. Because the Third Circuit's decision is in direct conflict with a recent decision of this Court and likely will give rise to further litigation on issues that *Christianson* should have resolved, this Court should grant certiorari and summarily reverse the decision below.

1. The conflict between the decision below and this Court's decision in *Christianson* could not be more plain. *Christianson* held that the Federal Circuit has exclusive jurisdiction over any case in which "federal patent law creates the cause of action." 108 S.Ct. at 2173. In other words, appellate jurisdiction under 28 U.S.C. § 1295(a)(1) turns solely on the district court's jurisdiction under the well-pleaded complaint rule. Under that simple stand-

ard, reference to the complaint readily resolves any question about the jurisdiction of this—or any other—appeal. Thus, the proper outcome in this case is clear and direct: because there is *no dispute* that this case arises under the patent laws, the Federal Circuit has exclusive jurisdiction of the appeal.

The Third Circuit completely ignored that straightforward analysis. Noticeably absent from its latest opinion is *any* reference to the following holding of *Christianson* regarding 28 U.S.C. § 1295(a)(1):

> Since the district court's jurisdiction is determined by *reference to the well-pleaded complaint, not the well-tried case, the referent for the Federal Circuit's jurisdiction must be the same.* The legislative history of the Federal Circuit's jurisdictional provisions confirms that focus.

108 S. Ct. at 2176 (emphasis added).

In following the congressional directive and the explicit statutory language that Federal Circuit jurisdiction is determined by reference to the jurisdiction of the district court, this Court explicitly *rejected* any analysis that focused on the issues actually litigated or on appeal:

> Colt might be correct (although not clearly so) that Congress' goals would be better served if the Federal Circuit's jurisdiction were to be fixed "by reference to the case actually litigated," rather than by an *ex ante* hypothetical assessment of the elements of the complaint that might have been dispositive. Brief for Respondent 31. Congress determined the relevant focus, however, when it granted jurisdiction to the Federal Circuit over "an appeal from . . . a district court . . . if the jurisdiction of *that court* was based . . . on section 1338." 28 U.S.C. § 1295(a)(1) (emphasis added).

108 S.Ct. at 2176; original emphasis. Accordingly, the rule under Section 1295(a)(1) applies regardless of the timing of, or the issues on, the appeal. In *Technograph*,

the patent laws were the *only* basis for the district court's jurisdiction. Thus, the appeal must proceed in the Federal Circuit because the district court's jurisdiction *continues* to arise under 28 U.S.C. § 1338. Thus, the Third Circuit's statement that "all phases disputing actual patent issues had been concluded . . . by 1982" and "only damages were involved in most of the litigation" is completely irrelevant and a direct affront to the holding in *Christianson*.[5]

This Court should not permit the decision below to undermine the unanimous decision in *Christianson* just as the ink on that opinion dries. Summary reversal of the decision below is appropriate because the rule of law set forth in *Christianson* is clear and controls this case. *See Arnold Tours, Inc.* v. *Camp*, 400 U.S. 45 (1970) (summary reversal on second petition for certiorari for failure to apply intervening decision on remand); *Henry* v. *City of Rock Hill*, 376 U.S. 776 (1964) (following reaffirmance on remand, Supreme Court summarily reversed because intervening decision controlled the result.) Indeed, given the Third Circuit's palpable refusal

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[5] The statement that "all phases disputing actual patent issues had been concluded" is plainly inaccurate. As the issues on appeal demonstrate, the appeal involves critical patent law issues under 35 U.S.C. § 284: whether a "reasonable royalty" must be awarded upon a finding of infringement given the statutory mandate that damages "adequate to compensate," but "*in no event* less than a reasonable royalty" must be awarded upon a finding of infringement. (Brief for Plaintiff-Appellant in Third Circuit on the merits, 3-4.) Reconsideration of the failure to award a royalty is necessarily a patent issue. What is more, the court of appeals' own opinion recognized that, as late as 1985, patent issues remained in this case. App., *infra*, 5a ("Plaintiff also asked the Court once again to review the non-bumper part infringement").

Moreover, the Third Circuit erred in considering the October 1, 1982 effective date of the Federal Courts Improvement Act as relevant to its decision. In that regard, the only significant point is that the notice of appeal was filed after the 1982 effective date—as it obviously was in *Technograph* because the order appealed from

to apply *Christianson*, summary reversal is warranted to protect the integrity of this Court's decision. *See Sumner* v. *Mata*, 455 U.S. 591 (1982) (Supreme Court summarily vacated court of appeals' second decision which failed to comply with Supreme Court's prior remand).

2. Instead of applying the straightforward rule in *Christianson*, the Third Circuit attempted to distinguish *Christianson* on the following grounds:

> Here the Supreme Court denied certiorari after the Federal Circuit declined jurisdiction and transferred the case to this court. The lengthy history of this litigation and the substantial reasons supporting the Federal Circuit's order, at best, makes this what the Supreme Court characterized as a "marginal jurisdictional dispute." *Id.* at 2179.

App., *infra*, 6a.

The Third Circuit's assertion is plainly wrong. First, this Court's denial of the 1987 petition for certiorari from the interlocutory transfer order is totally irrelevant. *Hughes Tool Co.* v. *Trans World Airlines, Inc.*, 409 U.S. 363, 365-66, n.1 (1973); *Hathorn* v. *Lovorn*, 457 U.S. 255, 262, n.11 (1982). Rather, this Court's subsequent *grant* of the petition on the identical issue is significant. Astonishingly, the Third Circuit attaches significance to the earlier denial and ignores the importance of the later grant of the petition.

Second, neither "the lengthy history of the litigation" nor the "substantial reasons supporting the Federal Circuit's order" could convert this clear case into a "mar-

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was rendered on June 27, 1986. Beyond all doubt, the Federal Circuit has mandatory exclusive jurisdiction of post-1982 appeals in patent cases in which earlier appeals were decided by the regional courts of appeals. *E.g. Central Soya Co.* v. *Geo. A. Hormel & Co.*, 723 F.2d 1573, 1580 (Fed. Cir. 1983). The 1982 effective date is irrelevant for appeals from decisions rendered in 1986 so long as the jurisdiction of the district court rendering that decision arose under the patent laws, which is undeniable here.

ginal jurisdictional dispute." *Christianson* provided a bright-line standard that made the history of any litigation irrelevant to the jurisdictional question. The Federal Circuit's justification for the transfer—comity and judicial economy—are irrelevant to the jurisdictional question. "If the jurisdiction of . . . [the district] court was based . . . on Section 1338," then Congress mandated exclusive jurisdiction over the appeal to the Federal Circuit. *Christianson*, 108 S.Ct. at 2176.

Moreover, in *Christianson* this Court explicitly held that the transferee court is "*obliged* to decline jurisdiction" where the transfer order was "clearly wrong." *Christianson*, 108 S.Ct. at 2178 (emphasis added). Here, the transfer order of the Federal Circuit was "clearly wrong." It is undisputed that the *only* basis for district court jurisdiction in this case was the patent laws and *Christianson* unequivocally held that jurisdiction over appeals in such cases is exclusively in the Federal Circuit.[6]

3. Under the doctrine of law of the case, a prior decision must be abandoned in favor of an intervening decision that compels a contrary result. "It is clear . . . that a decision of the Supreme Court directly in point, irreconcilable with the decision on the first appeal, and rendered in the interim, *must* be followed on the second appeal, despite the doctrine of the law of the case." 1B J. Moore,

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[6] The Third Circuit's refusal "[t]o transfer the case to the Federal Circuit at this stage . . ." ignores the well-settled rule that "[c]ourts created by statute can have no jurisdiction but such as the statute confers." *Sheldon* v. *Sill*, 49 U.S. 441, 449 (1850), quoted in *Christianson*, 108 S.Ct. at 2178. Transfer at any stage is *imperative* where the court has no jurisdiction. In *Christianson* this Court reversed the Federal Circuit for deciding the merits of a case "in the interest of justice" where it lacked jurisdiction. *See Firestone Tire & Rubber Co.* v. *Risjord*, 449 U.S. 368, 379 (1981). Similarly, this Court should reverse the Third Circuit for reaching the merits in *Technograph* because *Christianson* has made it abundantly clear that the Third Circuit lacks jurisdiction and the Federal Circuit has exclusive jurisdiction of this case.

J. Lucas & T. Currier, Moore's Federal Practice, ¶ 404[1] at 121-122 (2d ed. 1988) (original emphasis; footnotes omitted); *EEOC* v. *K-Mart Corp.*, 796 F.2d 139, 146 (6th Cir. 1986) (prior opinion of another panel "clearly cannot control as opposed to an opposite view expressed in final language by the United States Supreme Court in a similar case.") The remand order from this Court in *Technograph* directed the Third Circuit to reconsider its jurisdiction in light of the intervening decision of *Christianson* and the Third Circuit was required to follow the unambiguous jurisdictional holding of *Christianson* rather than rely upon the preceding Federal Circuit transfer order.

This case presents this Court with an indisputable evasion of its order to the Third Circuit to reconsider the jurisdictional issue "*in light of Christianson* v. *Colt Industries.*" The Third Circuit's refusal properly to reconsider the case has not only left the decision below in a court that plainly lacks jurisdiction, it also has resulted in a blurring of the bright line standard in *Christianson* that is likely to create additional conflict and confusion on this issue of appellate jurisdiction. Because the decision conflicts with the recent decision of this Court, this Court should grant certiorari and summarily reverse the decision below.

CONCLUSION

The petition for a writ of certiorari should be granted, the decision below vacated and remanded with a direction to transfer the appeal to the Federal Circuit.

Respectfully submitted,

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December 12, 1988

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APPENDIX

APPENDIX

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 86-5771

DEVEX CORPORATION, TECHNOGRAPH, INC., WILLIAM C. McCOY, THEODORE A. TE GROTENHUIS, FREDERICK K. ZIESENHEIM, MARJORIE TE GROTENHUIS, WILLIAM C. McCOY, JR., and KATHERINE M. BASSETT,

Appellants

v.

GENERAL MOTORS CORPORATION

Appeal from the United States District Court
for the District of Delaware

(D.C. Civil No. 3058)

Submitted Pursuant To Third Circuit Rule 12(6)
June 25, 1987

Decided June 29, 1987

Certiorari Granted June 27, 1988

Vacated and On Remand from the
Supreme Court of the United States
June 27, 1988

Submitted Pursuant To Third Circuit Rule 12(6)
August 8, 1988

Before: GIBBONS, *Chief Judge*
WEIS, *Circuit Judge*, and
POLLAK,* *District Judge*

Filed September 15, 1988

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* The Honorable Louis H. Pollak, United States District Judge for the Eastern District of Pennsylvania, sitting by designation.

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OPINION OF THE COURT

WEIS, Circuit Judge.

This court's judgment order of June 29, 1987 affirmed the order of the district court denying the plaintiff's requests for additional postjudgment interest and reopening of the royalties issue in this prolonged patent infringement case. The United States Supreme Court has remanded the case for reconsideration in light of *Christianson v. Colt Indus. Operating Corp.*, —— U.S. ——, 108 S. Ct. 2166 (1988). Based on our study of *Christianson* and the record before us, we will reaffirm our previous decision.

The *Devex* [1] litigation has proceeded for more than thirty years and has come before this court on several other occasions. The original complaint, alleging infringement on a patented process for cold-forming operations on steel products used in bumper and non-bumper parts

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[1] In its March 1987 brief on the merits. Technograph states:

> "The only appellant in this case is Technograph Liquidating Trust, successor to Technograph, Inc., a North Carolina Corporation. The other named plaintiffs below—Devex Corporation, William C. McCoy, Jr., individually and as an Executor of the Estate of William C. McCoy, deceased, Theodore A. TeGrotenhuis, Frederick B. Ziesenheim, Majorie TeGrotenhuis, and Katherin M. Bassett—no longer have any interest in this litigation."

Brief for Appellant at 1-2 n.2, Devex v. General Motors Corp., 822 F.2d 52 (3d Cir. 1987) (No. 86-5771).

for automobiles, was filed in 1956 in Chicago. After the district court found that the patent was invalid, the Court of Appeals for the Seventh Circuit reversed and remanded for trial. *Devex Corp. v. Houdaille Indus., Inc.*, 382 F.2d 17 (7th Cir. 1967).

The plaintiff then transferred the case to Delaware, where the district court found no infringement. We reversed in 1972, *Devex Corp. v. General Motors Corp.*, 467 F.2d 257 (3d Cir. 1972), *cert. denied*, 411 U.S. 973 (1973). A Special Master took up the case for an accounting and assessment of damages. He recommended an award for the infringement attributable to bumper manufacture but denied recovery for non-bumper processing. The finding on the non-bumper aspect was approved by the district court, *Devex Corp. v. General Motors Corp.*, 494 F. Supp. 1369 (D. Del. 1980), and damages of $8.8 million were awarded for the bumper infringement as well as $11 million in prejudgment interest plus postjudgment interest and costs.

In 1981, we affirmed the district court's decision. *Devex Corp. v. General Motors Corp.*, 667 F.2d 347 (3d Cir. 1981). In a petition for certiorari filed in 1982, the plaintiff asserted error in this court's denial of damages for infringement in processing non-bumper parts. The Supreme Court denied this petition, *General Motors Corp. v. Devex Corp.*, 456 U.S. 939 (1982), although it granted certiorari on the issue of prejudgment interest.

In *General Motors Corp. v. Devex Corp.*, 461 U.S. 648 (1983), the Court remanded the case to the district court for rulings on postjudgment interest and interest on costs. After the district court had taken appropriate action, we affirmed its rulings in 1984. *Devex Corp. v. General Motors Corp.*, 577 F. Supp. 429, *aff'd*, 749 F.2d 1020 (3d Cir. 1984) (Gibbons, J., dissenting).

The case came before the Supreme Court again in 1985, when plaintiff argued that our decision on the

issue of postjudgment interest was not in harmony with the holdings of other Courts of Appeals, particularly those of the Federal Circuit. Plaintiff also asked the Court once again to review the non-bumper part infringement. The Court denied both requests, *Devex Corp. v. General Motors Corp.*, 474 U.S. 890 (1985); *Technograph, Inc. v. General Motors Corp.*, 474 U.S. 819 (1985).

Most recently, in 1986, plaintiff appeared in the district court in Delaware where, in addition to the postjudgment interest issue, an argument was made that a conflict exists between our 1981 denial of royalties and later decisions in the Federal Circuit. *See Railroad Dynamics, Inc. v. A. Stucki Co.*, 727 F.2d 1506 (Fed. Cir.), *cert. denied*, 469 U.S. 871 (1984).

Plaintiff filed its 1986 appeal in the United States Court of Appeals for the Federal Circuit. That court transferred the appeal to us pursuant to 28 U.S.C. § 1631 and "in the interests of comity and judicial economy." Plaintiff then moved to transfer the case back to the Federal Circuit on the ground that it had exclusive jurisdiction over the appeal under 28 U.S.C. § 1295(a)(1). The Federal Circuit denied plaintiff's motion for rehearing and its request for *in banc* consideration of the transfer order. Once again, the plaintiff asked for certiorari but the Supreme Court denied the petition. *Technograph Liquidating Trust v. General Motors Corp.*, —— U.S. ——, 107 S. Ct. 1372 (1987); *Technograph Liquidating Trust v. General Motors Corp.*, —— U.S. ——, 107 S. Ct. 1374 (1987).

The procedural chronology of the case before us reveals that all phases disputing actual patent issues had been concluded in the district court, this court, and the Supreme Court by 1982—before the Federal Circuit came into existence. The Devex patent itself expired in 1969, and only damages were involved in most of the litigation. The remaining issues dealt essentially with postjudgment

interest and interest on costs, and did not raise questions of the validity of the patent or of its infringement.

In *Christianson* the Court emphasized the doctrine of the law of the case, directing that when a court decides upon a rule of law, that rule should continue to govern the same issues in subsequent stages in the litigation. *Id.* at 2177. Although a court has the power to revisit prior decisions, "as a rule courts should be loathe to do so in the absence of extraordinary circumstances." *Id.* at 2178.

Unlike the situation in *Christianson*, this court did not bounce this appeal back to the Court of Appeals for the Federal Circuit, but instead, entertained and decided the case. To transfer the case to the Federal Circuit at this stage of almost interminable litigation would be to engage in what the Supreme Court so aptly described as "a perpetual game of jurisdictional ping pong." *Christianson*, 108 S. Ct. at 2179.

An additional factor distinguishes this case from *Christianson*. Here the Supreme Court denied certiorari after the Federal Circuit declined jurisdiction and transferred the case to this court. The lengthy history of this litigation and the substantial reasons supporting the Federal Circuit's order, at best, makes this what the Supreme Court characterized as a "marginal jurisdictional dispute." *Id.* at 2179. In that scenario, the *Christianson* Court admonished "[u]nder law-of-the-case principles, if the transferee court can find the transfer decision plausible, its jurisdictional inquiry is at an end." *Id.* "The courts of appeals should achieve [quick settlement of questions of transfer] by adhering strictly to principles of law of the case." *Id.*

This court has followed the law of the case, and on reconsideration, therefore, has concluded that we should not disturb our earlier entry of judgment in favor of the defendant.

The order of the district court will be affirmed.

Pollack, District Judge, concurring

I concur in the judgment and opinion of the court. I write separately to underscore the particular elements of the matter that seem to me of controlling importance.

Judge Weis' opinion carefully identifies the major elements of this case's quasi-Dickensian litigation history. That history establishes two propositions which are in my mind dispositive of the issue presented by the Supreme Court's remand of this case for reconsideration in the light of its decision in *Christianson v. Colt Industries Operating Corp.*, 108 S. Ct. 2166 (1988).

The first proposition is that the law of the case applicable to the issue before us—namely, that this court, and not the Federal Circuit, is the proper court of appeals to review the 1988 judgment of the District Court for the District of Delaware—was determined by the Federal Circuit in 1986. That determination was embodied in the Federal Circuit's orders (a) transferring to this court the appeal filed by Technograph, and (b) denying Technograph's motion for rehearing and *en banc* consideration of the transfer order—a motion predicated on Technograph's contention that the Federal Circuit had exclusive appellate jurisdiction.

The second proposition is that the ruling of the Federal Circuit that this court is the proper appellate tribunal, while perhaps not indisputably correct, was (whether viewed as of then or today) certainly not clearly wrong. Whatever may have been the character of this litigation at its inception, by 1986 the patent ingredients had essentially disappeared. ". . . [W]hether a claim arises under the patent laws may depend on the time when the question is asked." *Christianson*, 108 S.Ct. at 2179 (Stevens, J., concurring).

In their pioneering casebook in 1936, Thurman Arnold and Fleming James observed that "[t]he doctrine of the

'law of the case' arises from a head-on collision between the rules of stare decisis and res judicata." *Arnold and James, Cases on Trials, Judgments and Appeals* (1936) 215 n.42. Half a century later, perhaps we may modify that professorial pronouncement by characterizing law of the case as a pastiche of stare decisis and res judicata. Suffice it to say that the original rigor of law of the case has long since been ameliorated; however, that original rigor died hard. Compare *John v. Pierce*, 176 Wis. 220, 186 N.W. 600 (1922), with *McGovern v. Kraus*, 200 Wis. 64, 227 N.W. 300 (1929). Thus, in *Johnson v. Cadillac Motor Car Co.*, 261 F. 878 (2nd Cir. 1919), it was only by a divided vote that the Second Circuit, in 1919, found itself free, on a second appeal, to conclude that *MacPherson v. Buick Motor Co.*, 217 N.Y. 382, 111 N.E. 1050 (1916), decided by the New York Court of Appeals subsequent to the first appeal, was a judicial event of sufficient consequence to warrant a departure from the legal principles found to be dispositive on the first appeal. Viewing the problem as an aspect of stare decisis, the Second Circuit recognized "the general rule that on a second appeal matters disposed of on the first appeal ordinarily will not again be considered," but concluded that "the rule is not an inexorable one, and should not be adhered to in a case in which the court has committed an error which results in injustice, and at the same time lays down a principle of law for future guidance which is unsound and contrary to the interests of society." 261 F. at 886. In its extensive canvass of the case law, the Second Circuit quoted excerpts from the first paragraph of an opinion written in 1891 by Chief Justice Bleckley for the Supreme Court of Georgia, *Ellison v. Georgia Railroad & Banking Co.*, 87 Ga. 691, 13 S.E. 809, 810 (1891). The first paragraph of the opinion in *Ellison* deserves quotation in full:

> Some courts live by correcting the errors of others and adhering to their own. On these terms courts of

final review hold their existence, or those of them which are strictly and exclusively courts of review, without any original jurisdiction, and with no direct function but to find fault, or see that none can be found. With these exalted tribunals, who live only to judge the judges, the rule of *stare decisis* is not only a canon of the public good, but a law of self-preservation. At the peril of their lives they must discover error abroad, and be discreetly blind to its commission at home. Were they as ready to correct themselves as others, they could no longer speak as absolute oracles of legal truth; the reason for their existence would disappear, and their destruction would speedily supervene. Nevertheless, without serious detriment to the public or peril to themselves, they can and do admit now and then, with cautious reserve, that they have made a mistake. Their rigid dogma of infallibility allows of this much relaxation in favor of truth unwittingly forsaken. Indeed, reversion to truth, in some rare instances, is highly necessary to their permanent well-being. Though it is a temporary degradation from the type of judicial perfection, it has to be endured, to keep the type itself respectable. Minor errors, even if quite obvious, or important errors, if their existence be fairly doubtful, may be adhered to, and repeated indefinitely; but the only treatment for a great and glaring error affecting the current administration of justice in all courts of original jurisdiction is to correct it. When an error of this magnitude, and which moves in so wide an orbit, competes with truth in the struggle for existence, the maxim for a supreme court,—supreme in the majesty of duty as well as in the majesty of power,—is not *stare decisis*, but *fiat justitia ruat coelum*.

The Court's opinion in *Christianson* makes plain that the legacy of Chief Justice Bleckley, tempered by the

Second Circuit's more modest rhetoric in *Johnson v. Cadillac Motor Co.*, is alive and well in the federal courts today. According to *Christianson*, "[a] court has the power to revisit prior decisions of its own or of a coordinate court in any circumstance . . ." But "as a rule, courts should be loathe to do so in the absence of extraordinary circumstances such as where the initial decision was 'clearly erroneous and would work a manifest injustice.'" 108 S.Ct. at 2178. Since such "extraordinary circumstances" are not presented here, I agree that there is no occasion to depart from our prior acquiescence in the Federal Circuit's order transferring this matter to this court.

A True Copy:

Teste:

Clerk of the United States Court of Appeals
for the Third Circuit

SUPREME COURT OF THE UNITED STATES

No. 87-682

TECHNOGRAPH LIQUIDATING TRUST,
Petitioner,

v.

GENERAL MOTORS CORPORATION

Case below, *Devex Corp. v. General Motors Corp.*, 638 F.Supp. 940; 822 F.2d 52.

June 27, 1988. On petition for writ of certiorari to the United States Court of Appeals for the Third Circuit. The petition for writ of certiorari is granted. The judgment is vacated and the case is remanded to the United States Court of Appeals for the Third Circuit for further consideration in light of *Christianson v. Colt Industries Operating Corp.*, 486 U.S. ——, 108 S.Ct. 2166, 99 L.Ed.2d —— (1988).

Supreme Court, U.S.
FILED
JAN 11 1989
JOSEPH F. SPANIOL, JR.
CLERK

No. 88-985

IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

TECHNOGRAPH LIQUIDATING TRUST,
Petitioner,

v.

GENERAL MOTORS CORPORATION,
Respondent.

RESPONDENT GENERAL MOTORS' OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED
(Affirmatively Stated)

This Court's guidelines in *Christianson v. Colt Industries Operating Corp.*, 108 S.Ct. 2166 (1988) were faithfully followed by the United States Court of Appeals for the Third Circuit after this case was remanded for reconsideration. The transfer ruling of the Federal Circuit was correct. At the least it was the law of the case, "plausible" and not "clearly erroneous". (108 S.Ct. 2178-79). This Court explicitly ruled in *Christianson* that application of the law of the case doctrine "will obviate the necessity for us to resolve every marginal jurisdictional dispute".

The jurisdictional dispute here was marginal since, unlike *Christianson*, all issues arising under the patent laws were finally adjudicated prior to the creation of the Federal Circuit in October 1982. There will never again be a pending case in which all patent issues were finally decided before October 1982, so no precedent would be established by a Supreme Court ruling.

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Respondent.

RESPONDENT GENERAL MOTORS' OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

Statement of the Case

A

This case has been pending since 1956. It involved a patent which expired twenty years ago. There have been three separate trials (validity - infringement - accounting); five appeals and ten petitions for certiorari.

The Third Circuit had heard and decided the following appeals in this case before the Federal Circuit was established:

1. *Devex Corp. v. General Motors Corp.*, 467 F.2d 257 (3rd Cir. 1972), cert. denied, 411 U.S. 973 (1973) decided patent infringement issues.[1]

2. *Devex Corp. v. General Motors Corp.*, 667 F.2d 347 (3rd Cir. 1981) affirmed the District Court's "Final Judgment" awarding over $8.8 million for bumper part infringements, over $11 million in prejudgment interest and denying damages relating to non-bumper parts. Certiorari was granted on the prejudgment interest issue and the Third Circuit's decision was affirmed by this Court, *General Motors Corp.* v. *Devex Corp.*, 461 U.S. 648 (1983). Certiorari was denied Technograph[2] on the non-bumper part damages issue, 456 U.S. 988 (1982).

After the Federal Circuit was established in October of 1982, non-patent issues dealing with interest were decided by the Third Circuit in *Devex Corp. v. General Motors Corp.*, 749 F.2d 1020 (3rd Cir. 1984) cert. denied 106 S.Ct. 68 (1985), Technograph *conceded* in one of its earlier petitions for certiorari that the Third Circuit had jurisdiction over this 1984 appeal because "[t]here were no patent law issues involved in the appeal." (Petition in No. 86-1179, p. 5.)

---

[1] The trial and appeal of the validity issues were in the U.S. District Court for the Northern District of Illinois and the U.S. Court of Appeals for the Seventh Circuit (*Devex v. General Motors Corp.*, 321 F.2d 234 (7th Cir. 1963), cert. denied, 375 U.S. 971 (1964)). On plaintiff's motion, the case was transferred from Chicago to Delaware in 1965.

[2] Through most of the long history of this case, the caption has been *Devex v. General Motors*. Technograph Liquidating Trust is the only plaintiff who continues to have any interest in this litigation.

B

Early in 1986, Technograph filed a motion in the District of Delaware on the non-patent issue of whether it was entitled to additional interest on the postjudgment interest judgment and the interest on cost judgment that General Motors ("GM") had immediately paid into the District Court in 1983, pending the earlier appeal on these matters to the Third Circuit. Since the District Court supposedly had this tag-end interest issue before it, Technograph also suggested that the District Court should reexamine and reverse the Third Circuit's 1981 final decision on the non-bumper part damages issue. Technograph's motions were denied by the District Court on June 27, 1986.

Technograph appealed from this decision to the Federal Circuit. GM's motion under 28 U.S.C. §1631 to transfer the appeal to the Third Circuit was granted, after full briefing, by the Federal Circuit.

Technograph's motion in the Federal Circuit for reargument of the transfer motion and its suggestion that the motion be reheard *en banc* were each denied. Technograph's motion in the Third Circuit seeking transfer back to the Federal Circuit was also, after full briefing, denied.

The Third Circuit on June 29, 1987 affirmed the decision of the District Court on the merits and Technograph filed a petition for certiorari to review the jurisdictional question.

Fortunately for Technograph, there was another petition for certiorari pending (*Christianson v. Colt Industries Operating Corp.*,) presenting significant issues concerning the jurisdiction of the Federal Circuit.

Since the instant case also dealt with allegations concerning the exclusive jurisdiction of the Federal Circuit, Technograph was successful in its request that this Court hold its petition in abeyance pending a ruling in *Christianson v. Colt*. This Court rendered its decision in *Christianson* on June 17, 1988 and it entered an order in this case on June 27, 1988 granting certiorari, vacating the judgment of the Third Circuit and remanding to the Third Circuit for further consideration in light of *Christianson v. Colt*.

On September 15, 1988 the Third Circuit, after a detailed analysis of *Christianson v. Colt* and the record in this case, reaffirmed its earlier decision on the jurisdictional issue.

Reasons for Denying the Writ

I

This Court's Remand Did Not Prejudge What Action Was To Be Taken By The Third Circuit

The order granting certiorari, vacating the judgment of the Third Circuit and remanding to the Third Circuit for further consideration in light of *Christianson v. Colt Industries Corp.*, was not the equivalent of a summary direction to the Third Circuit to transfer this case back to the Federal Circuit. *Supreme Court Practice Sixth Edition* by Robert L. Stern, Eugene Gressman and Stephen M. Shapiro states:

> "it seems fairly clear that the Court does not treat the summary reconsideration order as the functional equivalent of the summary reversal order, and that the lower court is being

> told to reconsider the entire case in light of the intervening precedent - which may or may not compel a different result." (p.280)

In a supplemental brief filed in this Court a week after the *Christianson v. Colt* decision, Technograph requested this Court to "remand with instructions to transfer the case to the United States Court of Appeals for the Federal Circuit for review on the merits." This request was refused, thereby negating Technograph's repeated arguments that *Christianson* indisputedly dictates a transfer to the Federal Circuit.

II

Christianson v. Colt Did Not Require The Third Circuit To Transfer The Case Back To The Federal Circuit

(a)

In *Christianson*, the Federal Circuit ruled that jurisdiction over the appeal was in the Seventh Circuit, but the Seventh Circuit played "jurisdictional ping pong" and ruled that jurisdiction was in the Federal Circuit (798 F.2d 1051 (7th Cir., 1986); 822 F.2d 1544 (Fed. Cir. 1987)). This Court agreed with the Federal Circuit on the jurisdictional issue and held that the appeal should be in the Seventh Circuit. Here, both the Federal Circuit and the Third Circuit agreed unanimously that the appeal should be in the Third Circuit.

This Court's opinion in *Christianson* deals with the question of when a case arises under a federal patent statute. The jurisdictional issue in the present case is a completely different and unique one, i.e., does the Federal Circuit have exclusive jurisdiction over an appeal where all patent issues were finally determined

by the District Court, the Third Circuit and this Court prior to the creation of the Federal Circuit in October of 1982? As the Third Circuit noted in its September 15, 1988 opinion (A5)*:

> "The procedural chronology of the case before us reveals that all phases disputing actual patent issues had been concluded in the district court, this court, and the Supreme Court by 1982 - before the Federal Circuit came into existence. The Devex patent itself expired in 1969."

This Court in *Christianson* made it clear that, even though "few jurisdictional lines can be so finely drawn as to leave no room for disagreement on close cases", a court to whom a case has been transferred is bound by the principles of law of the case not to retransfer: (a) absent "extraordinary circumstances", (b) unless the decision was "clearly erroneous and would work a manifest injustice", and (c) so long as the decision to transfer was "plausible". (108 S.Ct. at pp2178,79)

Here, both the Federal Circuit and the Third Circuit were in agreement (without any dissenters) that the appeal should be in the Third Circuit. Certainly the unanimous decisions after full briefing of six judges sitting on two different courts of appeal, in a case which is quite different from *Christianson*, at least make the decisions of the Federal and Third Circuits "plausible" and not "clearly erroneous".

The Third Circuit, far from ignoring *Christianson* (Pet. p3), faithfully followed this Court's directions when it held (A6):

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* "A" references are to the Appendix to the Petition.

> "The lengthy history of this litigation and the substantial reasons supporting the Federal Circuit's order, at best, makes this what the Supreme Court characterized as a 'marginal jurisdictional dispute.' Id. at 2179. In that scenario, *the Christianson Court admonished* '*[u]nder law-of-the-case principles, if the transferee court can find the transfer decision plausible, its jurisdictional inquiry is at an end.*' Id."
> (emphasis added)

Furthermore, there is no "manifest injustice" to Technograph since it had full and final consideration of its non-bumper part damages contentions long before the Federal Circuit was established. The "manifest injustice" would be to allow this thirty-two year old case to proceed any longer. The District Court noted in its June 27, 1986 opinion that this litigation "threatens to outlast all human participants" and the Third Circuit's most recent opinion characterizes this case as "almost interminable".

This Court's directive not to place the parties in a "vicious circle of litigation" in which the jurisdictional issues become "a perpetual game of ping-pong" is particularly applicable to this case, as was noted by the Third Circuit (A6).

(b)

The correctness of the rulings of the Federal and Third Circuits here is also shown by Justice Stevens' concurring opinion in *Christianson* in which Justice Blackmun joined. As Justice Stevens noted (108 S.Ct. at p2179):

> "I write separately to emphasize that a common-sense application of Justice Cardozo's dictum requires that the answer to the question whether a claim arises under the patent laws may depend on the time when the question is asked."

Technograph is again seeking to reopen the merits of this case by its attempt to have the appeal transferred to the Federal Circuit. While the decision on the non-bumper part damages issue would most probably be the same in the Federal Circuit as it was in 1981 in the Third Circuit, the interest of justice will not be served if the underlying substantive issues that were finally determined years ago are the subject of still further briefing and arguing. Justice Stevens warned against attempts by plaintiffs "to manipulate appellate court jurisdiction. . ." (108 S.Ct. at p2181). This is precisely what Technograph is up to here.

It is respectfully submitted that the decisions of the Federal Circuit and the Third Circuit that the appeal should be heard in the Third Circuit were correct when rendered, and this Court's decision in *Christianson v. Colt Industries Corp.* does not call for a change in the decisions.

III

The Decision Below Deals With a Set of Facts Which Will Never Again Occur And Is Of No Public Importance

The transfer by the Federal Circuit to the Third Circuit and the Third Circuit's refusal to transfer the case back to the Federal Circuit affects no one but

the parties to this lawsuit and will not serve as precedent for future cases.

The Federal Circuit has been in existence since Oct. of 1982. The factual situation in this case, where appeals on all patent issues were decided by a regional court of appeals prior to 1982 and still further appeals are filed after 1982 will never again occur.

Petitioner suggests that the decision of the Third Circuit "has resulted in a blurring of the bright line standard in *Christianson*. . ." (Pet. p11). But this case is so different from *Christianson* and so moot that it will have absolutely no effect on how people interpret *Christianson*.

The facts of this case do not present this Court with an opportunity to provide lasting guidelines for whether appeals should go to the Federal Circuit or to a regional court of appeals.

IV

The Exclusive Jurisdiction Of The Federal Circuit Did Not Extend To Cases Where All Patent Issues Had Been Finally Decided Before The Federal Circuit Was Established

While the case originally arose under the patent laws, by the time of the June 27, 1986 Order of the District Court, all of these issues had been finally adjudicated. The non-bumper part damages issue was determined by the Special Master, the District Court (which issued a "Final Judgment" on October 6, 1980), and the Third Circuit (which in 1981 affirmed the

"Final Judgment" of the District Court). Petitions for certiorari on the point have been repeatedly denied. It is hard to imagine anything more final. The Federal Circuit did not have exclusive jurisdiction over the appeal in this case since all patent law questions had been finally decided before it came into existence.[3]

As the Federal Circuit held in *Atari, Inc. v. JS&A*, 747 F.2d 1422, 1429 (1984):

> "Achievement of increased uniformity in the substantive law of patents does not require that this court get its hands on every appeal involving an allegation that a patent law issue is somehow involved. . . [A] mere allegation that patent law is involved will not give this court jurisdiction when that of the district court did not rest at least in part on *a continuing* claim arising under the patent. . .laws." (Emphasis added).

In other places in *Atari, Id.*, the Court referred to the need for a "continuing non-frivolous patent claim under §1338" in the district court, for the Federal Circuit to have jurisdiction over an appeal (Id., pp. 1433, 1437). And in *USM Corp. v. SPS Technologies, Inc.*, 770 F.2d 1035, 1036 (Fed. Cir. 1985), the Federal Circuit ruled that it had no jurisdiction over an appeal:

---

[3] Petitioner cites (p9) *Central Soya Co. v.. Geo. A. Hormel & Co.*, 723 F.2d 1573 (Fed. Cir. 1983) as an example of a patent case where an appeal was decided by a regional court of appeals and a later appeal went to the Federal Circuit. But in *Central Soya*, contrary to this case, there had not been a final adjudication in the first appeal of all issues arising under the patent statutes.

> ". . .where the Seventh Circuit has finally adjudicated all patent issues and only non-patent issues remain, in a case where the jurisdiction of the district court was originally based, in part, upon 28 U.S.C. §1338(a). . ."

The non-bumper part damages issue which was in this case years ago has not by any realistic standard remained a "continuing, non-frivolous patent claim under §1338".

CONCLUSION

The Third Circuit's September 15, 1988 ruling that *Christianson* v. *Colt* is distinguishable from this case and does not call for a change in its earlier decision is correct. Furthermore, there will never be another pending case in which all patent issues were finally decided prior to the creation of the Federal Circuit in October, 1982. The issues raised in the Petition are without public importance. The Petition should be denied.

Respectfully submitted,

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APPENDIX

APPENDIX A

Pursuant to Supreme Court Rule 28.1 the following information is provided by General Motors Corporation.

General Motors Corporation is not a subsidiary of a publicly owned corporation. All subsidiaries and affiliates of General Motors Corporation are wholly-owned except:

Alambrados Automatrices, S.A. C.V. (Mexico)

Alambrados y Circuitos Electricos, S.A. de C.V. (Mexico)

AMBRAKE Corporation (USA)

Aralmex, S.A. de C.V. (Mexico)

Autos y Maquinas del Ecuador S.A. (AYMESA) (Ecuador)

Cableados de Juarez, S.A. de C.V. (Mexico)

CABLESA-Industria de Componentes Electricos Limitada (Portugal)

Calsonic Harrison Co., Ltd. (Japan)

Compania Nacional de Direcciones Automotrices, S.A. de C.V. (Mexico)

Componentes Delfa, C.A. (Venezuela)

Componentes Mecanicos de Matamoros, S.A. de C.V. (Mexico)

Conductores y Componentes Electricos, de Juarez, S.A. de C.V. (Mexico)

Convesco Vehicle Sales GmbH (West Germany)

Daewoo Automotive Components, Ltd. (Korea)

Daewoo Motor Co., Ltd. (Korea)

Delco Electronics Corporation (USA)

Delkor Battery Company, Ltd. (Korea)

Delmex de Juarez, S.A. de C.V. (Mexico)

Delredo, S.A. de C.V. (Mexico)

Detroit Deere Corporation (USA)

DHB - Componentes Automotivos S.A. (Brazil)

DHMS Industries, Ltd. (Korea)

DR DE CHIHUAHUA, S.A. de C.V. (Mexico)

Fabrica Columbiana de Automotores S.A. ("Colomotores") (Columbia)

General Motors de Colombia S.A. (Colombia)

General Motors del Ecuador S.A. (Ecuador)

General Motors Egypt, S.A.E. (Egypt)

General Motors Espana, S.A. (Spain)

General Motors (Europe) AG (Switzerland)

General Motors France (France)

General Motors Hellas, A.B.E.E. (Greece)

General Motors Iran Limited (Iran)

General Motors Kenya Limited (Kenya)

General Motors Korea Co., Ltd. (Korea)

General Motors del Peru S.A. (Peru)

General Motors de Portugal, Limitada (Portugal)

General Motors Terex do Brasil Ltda. (Brazil)

GM Allison Japan Limited (Japan)

GM Locomotivas Ltda. (Brazil)

GMFanuc Robotics Coporation (USA)

Hua Tung Automotive Corporation (Rep. of China)

Ilmor Engineering, Ltd. (England)

Industries Mecaniques Maghrebines, S.A. (Tunisia)

Industrija Delova Automobila, Kikinda (Yugoslavia)

INLAN-Industria de Componentes Mecanicos, Lda. (Portugal)

Isuzu Motors Limited (Japan)

Isuzu Motors Overseas Distribution Corp. (Japan)

Kabelwerke Reinshagen GmbH (West Germany)

Kabelwerke Reinshagen Werk Berlin GmbH (West Germany)

Kabelwerke Reinshagen Werk Neumarkt GmbH (West Germany)

Koram Plastics Company, Ltd. (Korea)

Metal Casting Technology, Inc. (USA)

Motor Enterprises, Inc. (USA)

New United Motor Manufacturing, Inc. (USA)

NHK Inland Corporation (Japan)

Omnibus BB Transportes, S.A. (Ecuador)

Promotora de Partes Electronicos Automotrices (Mexico)

P.T. Mesin Isuzu Indonesia (Indonesia)

Rimir, S.A. de C.V. (Mexico)

Rio Bravo Electricos, S.A. de C.V. (Mexico)

Senalizacion y Accesorios del Automovil Yorka, S.A. (Spain)

Shinsung Packard Company, Ltd. (S. Korea)

Sistemas Electricos y Conmutadores, S.A. de C.V. (Mexico)

Sung San Company, Ltd. (S. Korea)

Suzuki Motor Co., Ltd. (Japan)

TEREX Equipment Limited (Scotland)

Vauxhall Motors Limited (England)

Vestiduras Fronterizas, S.A. de C.V. (Mexico)

Volvo GM Heavy Truck Corporation (USA)

Some of the processes accused as infringements were performed by General Motors using materials purchased under indemnity agreements with one or more of the following:

1. Anchem Products, Inc. (Union Carbide)
2. Bethlehem Steel Corporation
3. Braun Engineering Company (Masco Corp.)
4. Colt Industries, Inc.
5. LTV Corporation
6. Occidental Petroleum Corp.
7. Pennwalt Corporation
8. Republic Steel Corp.
9. United States Steel Corp.

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No. 88-985

IN THE
Supreme Court of the United States
OCTOBER TERM, 1988

TECHNOGRAPH LIQUIDATING TRUST,
Petitioner,

v.

GENERAL MOTORS CORPORATION,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Third Circuit

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REPLY BRIEF OF PETITIONER

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REPLY BRIEF OF PETITIONER

The decision in *Christianson* v. *Colt Industries Operating Corp.*, 108 S.Ct. 2166 (1988), makes abundantly clear that, where jurisdiction of the district court arises under the patent laws based upon the well-pleaded complaint, appellate jurisdiction lies exclusively in the Federal Circuit. That jurisdictional conclusion controls for all purposes throughout the case regardless of the timing of or the issues on appeal. In this case, which indisputably arises under the patent laws, the Federal Circuit's jurisdiction is mandatory and exclusive.

Respondent's analysis, like that of the Third Circuit, ignores this Court's clear holding in *Christianson*. Respondent makes no attempt to dispute that, under the well-pleaded complaint standard set forth in *Christian-*

son, the only proper resolution is to transfer this case to the Federal Circuit. Indeed, respondent does not even cite the jurisdictional statute at issue, 28 U.S.C. § 1295 (a)(1).

1. Respondent's primary argument is that this Court should ignore the vitiation of *Christianson* by the Third Circuit because the course of this litigation has been prolonged. But no one is less happy about the "interminable" (Opp. 7) length of the proceedings in this case than plaintiff/petitioner. Respondent's expressions of anxiety over the pace of this litigation ignore the central fact that petitioner was the prevailing party on the infringement of non-bumper parts and thus respondent alone has benefited from the delay in resolving the issue of royalties.

While respondent blithely observes that it "would most probably" (Opp. 8) prevail in the Federal Circuit on the royalties issue, its litigation strategy belies this claim. Respondent has gone to great lengths to avoid litigating its liability for patent royalties (for non-bumper parts) on the merits in the Federal Circuit. Respondent's attempt to blame petitioner for the delay in having the jurisdictional problems resolved is disingenuous, to say the least. It would be a manifest injustice to deny petitioner the benefit of the bright-line *Christianson* ruling simply because respondent has successfully drawn out this litigation. Moreover, respondent's argument ignores the fundamental point that lack of subject matter jurisdiction must be corrected whenever it is discovered. See *Hughes Tool Co.* v. *Trans World Airlines, Inc.*, 409 U.S. 363 (1973).

2. Respondent is patently mistaken when it says that all issues arising under the patent laws were finally adjudicated prior to 1982 (Pet. 8 n.5).[1] The issues on

[1] Respondent's argument that all patent issues had been finally decided before 1982 suggests that it is confusing principles of

appeal demonstrate the presence of a substantial patent issue.[2] More significantly, respondent's position that the Federal Circuit's jurisdiction over a pre-1982 complaint depends on the issues on appeal contradicts the statute and the case law. The Federal Circuit sits as the *successor* court to the regional courts of appeals for post-1982 appeals in all patent cases involving pre-1982 complaints as long as the notice of appeal was filed after October 1, 1982. *Central Soya Co.* v. *Geo. A. Hormel & Co.*, 723 F.2d 1573 (Fed. Cir. 1983).

Respondent has *sub silentio* asked (Opp. 9-11) this Court to repudiate *Christianson*. By relying on *USM Corp.* v. *SPS Technologies, Inc.*, 770 F.2d 1035 (Fed. Cir. 1985), which focused on the issues on appeal in determining federal circuit jurisdiction, respondent sug-

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res judicata with those of law of the case. Under *res judicata* a matter is finally disposed of at the close of the litigation and cannot be relitigated in subsequent litigation. Clearly, in *Technograph*, where the case was not closed because of the ongoing controversy regarding post-judgment interest, *res judicata*, is completely inapplicable.

Under law of the case, however, a prior ruling can be reconsidered if (1) it is clearly erroneous and results in a manifest injustice or (2) an intervening decision compels a contrary result. The current law in the Federal Circuit makes clear that the decision of the district court denying petitioner any royalty on 1.3 billion non-bumper parts found to be an infringement was clearly erroneous and therefore should be reconsidered. See, *e.g.*, *Stickle* v. *Heublein, Inc.*, 716 F.2d 1550, 1561 (Fed. Cir. 1983) (award of zero damages for an infringement is "contrary to the express statutory provision").

[2] Respondent has not explained the basis for its position that the issue on appeal is not a patent issue. The question that would be presented to the Federal Circuit is whether patent law (as interpreted by the Federal Circuit) requires a reasonable royalty to be paid by respondent for the infringement of petitioner's patent on non-bumper parts. If that question, which depends upon the proper interpretation of 35 U.S.C. § 284 is *not* a patent issue, then it seems quite plain that the exception to *Christianson* created by the Third Circuit is a gaping one.

gests simply that *Christianson* was wrongly decided. *USM* is a pre-*Christianson* decision whose error has been confirmed by *Christianson*. *Christianson* explicitly rejected any jurisdictional analysis that focused on the "issues" actually litigated or *on appeal* (Pet. 7-8). The majority and concurring opinions in *Christianson* confirmed that jurisdiction under 28 U.S.C. § 1295(a)(1) depends on the complaint in the district court—not on the issues in the court of appeals. Pet. 7-8. The Third Circuit has now held in a published opinion that the Federal Circuit's exclusive jurisdiction does not always depend upon the complaint. Accordingly, denial of certiorari here will ensure that jurisdiction under Section 1295(a)(1) will once again become a hotly disputed matter for litigation and that the clarity achieved in *Christianson* will be undone.[3] The only way to halt the erosion of *Christianson* is to reaffirm its bright-line test now and make clear that the Court meant what it said.

At bottom, the Court in granting certiorari and sending this case back to the Third Circuit already made clear its view that petitioner was entitled to the benefit of the ruling in *Christianson*. It is true that the order of this Court did not "compel" the Third Circuit to transfer this case to the Federal Circuit, but given the clarity of the *Christianson* holding, the Court really had no reason to take such action. The Third Circuit's refusal to follow *Christianson* now requires the Court to state plainly what it intended when the case was remanded previously—*viz.*, that this appeal should be transferred to the Federal Circuit so that this lengthy

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[3] Indeed, respondent's reliance upon *USM Corp.* undercuts its claim that the Third Circuit's exercise of jurisdiction in this case was "plausible" because two different courts made the same mistake. *Christianson* shows that the Federal Circuit's interpretation of Section 1295(a)(1) was completely erroneous at the time it transferred this appeal. The Third Circuit's decision to accept that error to promote "judicial economy" in no way makes the jurisdictional ruling more "plausible."

dispute can be finally resolved by the only court with jurisdiction over petitioner's appeal.

CONCLUSION

For the foregoing reasons, and those stated in the petition, the petition should be granted and the decision of the court of appeals should be vacated and remanded with a direction to transfer the appeal to the Federal Circuit.

Respectfully submitted,

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